

To Federal Communications Commission Chairman Julius Genachowski, Commissioners Michael Copps, Mignon Clyburn and Robert McDowell:

On AT&T T Mobil Merger Justice is Served

In filing its antitrust lawsuit U.S. & Plaintiff States v. AT&T, Deutsche Telekom AG and T Mobil USA the Justice Department has rightly concluded the combination of AT&T T Mobil would be bad for consumers and competition as this article by PCMagazine published to PCMag.com makes clear. Justice didn't even bother to address AT&T's NONSENSE about jobs being created in the merger. They decided though enough is enough mergers like AT&T T Mobil (and for that matter AT&T Qualcomm in combination with T Mobil deal) don't create jobs and fewer choices don't translate into lower prices.

Sometimes the government works for the people.

When corporations face off against the public interest, we've gotten too used to the corporations winning. We've bailed out banks that turn their backs on mortgage holders; we've bailed out airlines that turn around and reduce flights, raise prices, and add fees.

But the U.S. Department of Justice made a huge stand for the American people today, seeing through AT&T's lies and its acres of Astroturf and saying: this has got to stop.

Mega-mergers won't create jobs.

Fewer choices don't mean lower prices.

AT&T's promises of better 4G are just that, only promises. Not guarantees.

Community groups getting funding from AT&T don't speak for the people here.

The Department of Justice's decision-making process is pretty opaque, but I don't think this would have happened without the relentless pounding the FCC has gotten from average citizens opposing the merger. (The FCC hasn't made a final decision about the merger, but in a statement today, it didn't sound too enthusiastic.)

When I look at the FCC's Web site today there are more than 10,000 comments on the merger, and they're still streaming in. Just today, Thomas Doucette?just a guy, nobody special?says, "USA consumers will see prices go up and customer service go down." Steve Waechter?just another guy?says, "We have few options now. We don't want it to get worse. This should be blocked. We

need more competition, not less."

I think it might not have happened without AT&T's tremendous arrogance, either, running commercials as if the merger was a done deal, speaking out in public as if it was inevitable. That gave the sense that Americans didn't have a say in this. Looks like AT&T was wrong.

For Once, A Smart Government View

The Department of Justice's press release is so clear-eyed, I couldn't believe it came from a government agency. Here are some highlights.

"The combination of AT&T and T-Mobile would result in tens of millions of consumers all across the United States facing higher prices, fewer choices and lower quality products for mobile wireless services."

"AT&T's acquisition of T-Mobile would eliminate a company that has been a disruptive force through low pricing and innovation by competing aggressively in the mobile wireless telecommunications services marketplace."

And, the kicker:

"AT&T could obtain substantially the same network enhancements that it claims will come from the transaction if it simply invested in its own network without eliminating a close competitor."

Boom.

The government didn't even bother to respond to AT&T's nonsense about creating jobs.

The Fight Isn't Over

So what's next?

The fight isn't over until a federal court hands down an order to block the merger, or AT&T decides it will just be too much trouble. Consumer groups and average Americans need to keep up the pressure.

And if the merger fails, we have to deal with Deutsche Telekom. DT needs to understand that even if it wants to get rid of T-Mobile USA, it can't do so in a way that would hurt wireless competition in the United States. That means finding an alternative to merging with another big carrier.

Let's also remember that this doesn't mean all mergers are bad. Just huge mega-mergers designed to eliminate competition and reduce consumer choices, supported by lies. I'd still like to see Cricket and MetroPCS merge, which would add a viable fifth national carrier to the landscape.

Still, this is tremendously good news. It's good news for all the T-Mobile and AT&T employees who would have lost their jobs in the inevitable "consolidation" of the two companies, and for the states, cities, families and neighbors who would have had to shoulder the burden of the unemployed.

It's good news for consumers looking for "independent, low-priced" mobile phone service, for phone makers who will still have T-Mobile to sell to, and for innovative technology suppliers who can provide ways for carriers to use their spectrum efficiently. It's even good news for the technologists at AT&T and T-Mobile, whose product offerings will be sharpened by competition.

It's good news for everyone except T-Mobile's German owners, and AT&T's shareholders. Time to go back to competing rather than eliminating the competition, guys. You're perfectly capable of doing it.

Sincerely,

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